FIRST LIGHT

23 July 2026

RESEARCH

BOB ECONOMICS RESEARCH | BOND WRAP

Fortnightly review

BOB ECONOMICS RESEARCH | BOND YIELDS

How spread dynamics of entities evolved in FYTD27

NESTLE INDIA | TARGET: Rs 1,653 | +11% | HOLD

Strong volume-led growth drives earnings beat

DR REDDY'S LABS | TARGET: Rs 1,471 | +24% | BUY

Valuations are expected to re-rate with launch of biosimilars

NIPPON LIFE INDIA AMC | TARGET: Rs 1,339 | +17% | BUY

Consistent AUM outperformance continues

ANTHEM BIOSCIENCES | TARGET: Rs 900 | +16% | BUY

In-line quarter; Gross Margin maintained at its highs

ORIENT ELECTRIC | TARGET: Rs 240 | +41% | BUY

Broad-based growth; cost actions cushion margin

CANARA ROBECO AMC | TARGET: Rs 315 | +18% | BUY

Cost discipline drives margin expansion

SUMMARY

INDIA ECONOMICS: BOND WRAP

Global yields showed stickiness in Jul'26 as war situation worsened and impact was immediately seen on international oil prices which erased most of its decline seen in Jun'26. Inflationary concerns and expected tightness of monetary policy for global central banks remained in hindsight for investors. Major impact was felt in the 10Y yields of Germany and UK. For US, 10Y yield did not show much momentum as inflation is showing only modest increase. For India, the major downward correction in 10Y yield that happened in Jun'26 is remaining.

Click here **for the full report.**

BOBCAPS Research
research@bobcaps.in

INDIA ECONOMICS: BOND YIELDS

The spreads on bonds for PSU FIs& Banks (PFBs), NBFCs and Corporates indicate how the risk premium has evolved over time. These spreads are benchmarked to the risk-free GSec. Besides the movement in these yields, business environment at both the macro and micro levels hold the cue for the direction of spreads. Under the current scenario, the outlook of India's 10Y yield remains uncertain and depends on the evolving global conditions relating to war, liquidity conditions, inflation, government borrowing among other factors.

Click here **for the full report.**

NESTLE INDIA

- Operating leverage and cost savings offset higher brand investments, resulting in a meaningful earnings beat
- Omnichannel momentum remained robust, with 35.6% export growth, strong Quick Commerce traction and rural-led GT expansion
- Margin expansion driven by operating leverage despite 40%+ increase in advertising spends; maintain HOLD with TP of Rs 1,653

Click here **for the full report.**

DR REDDY'S LABS

- Sales/AEBITDA/APBT were 0.9% -10.8%/ -8.7% below our estimates. AEBITDA Margin was 170 bps below our estimates at 13.3%
- EBITDA Margin guidance sustained at ~20% despite higher solvent prices till Dec'26 and no gSemaglutide sales till Nov'26
- We continue to ascribe a PE of 21x and roll forward to Jun'28 EPS to arrive at a PT of Rs 1471 (earlier Rs 1511), maintain BUY

Click here **for the full report.**

NIPPON LIFE INDIA AMC

- NAM reported robust core revenue performance, growth of 26.4% YoY; QAAUM grew 22.7% led by strong ETF AUM growth
- Continued market share gains with overall equity, and ETF share showing expansion. B-30 MAAUM market share remained stable
- We maintain BUY with TP of Rs 1,339, valuing the stock at 37x Jun'28E EPS, and reaffirm NAM as our top pick in the sector

Click here **for the full report.**

ANTHEM BIOSCIENCES

- Sales/EBITDA/PAT were -0.5%/-3.1%/5.9% above our estimates, while EBITDA Margin was 100 bps below our estimates at 36%
- FY27 20% sales guidance retained despite a soft 1QFY27. Shipments to improve from 2QFY27. H2FY27 to be better than H1FY27
- We ascribe 57x (earlier 56x) and roll forward to Jun'28 EPS to arrive at a similar PT of Rs 900, and maintain BUY

Click here for the full report.

ORIENT ELECTRIC

- Revenue grew 23.5% YoY on volume and value growth across ECD and Lighting & Switchgear, with fans outperforming the category
- EBITDA margin expanded 102bps YoY on cost discipline, even as gross margin stayed under commodity-led pressure
- Tweak estimates, assign 30x Jun-28EPS to arrive at Jun-27TP of Rs240; maintain BUY

Click here for the full report.

CANARA ROBECO AMC

- Core revenue growth increased 19.7% YoY in Q1FY27 mainly on account of improvement in yields
- EBITDA margin stood at 62.7% vs 59.5% driven by efficient cost management, PAT grew 24% YoY due to MTM gains
- Maintain BUY with TP of Rs 315 (earlier Rs 311), valuing the stock at 25x Jun'28E EPS

Click here for the full report.

BOND WRAP

22 July 2026

Fortnightly review

Dipanwita Mazumdar
Economist

Global yields showed stickiness in Jul'26 as war situation worsened and impact was immediately seen on international oil prices which erased most of its decline seen in Jun'26. Inflationary concerns and expected tightness of monetary policy for global central banks remained in hindsight for investors. Major impact was felt in the 10Y yields of Germany and UK. For US, 10Y yield did not show much momentum as inflation is showing only modest increase. For India, the major downward correction in 10Y yield that happened in Jun'26 is remaining.

The impact of increase in international oil prices in Jul'26 on yields is not yet visible. But if war situation escalates, and global yields firm up, India's 10Y yield will also not be insulated. System liquidity is also far below 1% NDTL level. Inflation outlook hinges on the progress and spatial distribution of monsoon, which can further weigh on outlook of yield, going forward.

Weighing all the factors, we expect India's 10Y yield to trade in the range of 6.70-6.85% in the remaining part of Jul'26, with risks tilted to the upside.

Global yields exhibiting upward bias:

- Global yields showed considerable stickiness in Jul'26 (till 21 Jul). This is following escalating tensions between US and Iran with reports of back-and-forth fresh military attacks. Even there are reports of fresh attacks in Kuwait, Jordan and Bahrain by Tehran. International oil price after showing -20.8% downward correction in Jun'26 over May'26 (point on point change) has again reversed its trajectory. In Jul'26 (21-Jul), oil prices again rose by 24.8% (point on point comparison over 30 Jun), with investors also pricing in further aggravated supply disruptions due to a naval blockade of Saudi Arabia. The stickiness in global yields is likely to continue unless the war situation de-escalates.
- Among major yields, sharpest increase was seen for Germany's 10Y yield. It is to be noted that ECB was one of the first central banks to go ahead of the curve of rate hike compared to majority of its peers. Bundesbank President in his recent commentary highlighted that vigilant stance is likely to be maintained under the current scenario of major risks to the underlying projections. The upcoming policy on 23 Jul of ECB remains crucial as investors will be looking for forward guidance from ECB President, which is expected to be on hawkish lines. Other macro data of Germany showed growth indicators are broadly stable which has further supported yields..

BOND YIELDS

22 July 2026

How spread dynamics of entities evolved in FYTD27

Dipanwita Mazumdar
Economist

The spreads on bonds for PSU FIs& Banks (PFBs), NBFCs and Corporates indicate how the risk premium has evolved over time. These spreads are benchmarked to the risk-free GSec. Besides the movement in these yields, business environment at both the macro and micro levels hold the cue for the direction of spreads. Under the current scenario, the outlook of India's 10Y yield remains uncertain and depends on the evolving global conditions relating to war, liquidity conditions, inflation, government borrowing among other factors.

RBI's current rate cycle is likely to be cautious even if there is no rate hike. Hence, we believe that there remains upside risks to India's 10Y yield. In that case, coupled with uncertain macro conditions the risk premium for different entities is also likely to be higher and have a bearing on these bond spreads..

10-year bond movements

To begin with the movement in the 10Y yield can be looked at. Since the spreads are benchmarked to the 10Y Gsec yield, their movement remains crucial in determining the quantum and direction of spreads. However, this is just one part of explaining the spreads. The other part depends on underlying macro fundamentals, monetary conditions and company specific information.

India's 10Y yield has exhibited significant volatility in FYTD27. Post war between US and Iran, there was significant increase in yield broadly led by inflationary concerns on account of elevated oil prices. Thus, yield was sticky throughout May'26. However, in Jun'26, government reforms targeted at tax rationalisation for FPIs and RBI measures aimed at attracting foreign capital, resulted in downward correction of yields.

The outlook of India's 10Y yield remains uncertain contingent on the war situation. Since tensions again flared up and first order effect was on international crude price, hence we cannot rule out any upside risk on India's 10Y yield, in which case, spreads across are likely to firm up. Perspectives on future action on then repo by the MPC also have a bearing on these rates.

HOLD
TP: Rs 1,653 | ⮝ 11%

NESTLE INDIA | Consumer Staples | 22 July 2026

Strong volume-led growth drives earnings beat

- **Operating leverage and cost savings offset higher brand investments, resulting in a meaningful earnings beat**
- **Omnichannel momentum remained robust, with 35.6% export growth, strong Quick Commerce traction and rural-led GT expansion**
- **Margin expansion driven by operating leverage despite 40%+ increase in advertising spends; maintain HOLD with TP of Rs 1,653**

Lavita Lasrado
Research Analyst
Nistha Pala
Research Associate
research@bobcaps.in

Domestic sales grew 25.0% on broad-based double-digit growth across all product groups: Nestlé's total sales increased 25.4% YoY to Rs 63.6bn (**8**.9% ahead of our estimate), driven by strong volume growth across all four product groups and channels. Domestic sales grew 25.0%, while exports remained robust (+35.6% YoY) despite geopolitical headwinds, supported by expansion into newer international markets and product launches across Canada, Europe, the Middle East and the HoReCa channel. Nestlé sustained strong momentum across confectionery, beverages, prepared dishes and nutrition. KITKAT continued to gain market share, while the beverages portfolio delivered its 20th consecutive quarter of double-digit growth, aided by premiumisation and deeper coffee penetration. The company further strengthened its innovation pipeline through launches including FELIX Gravy Lover and PRO PLAN Cat in pet food, MAGGI seasonal flavours and Veg Atta with MAGGI Masala Tastemaker, while expanding premium coffee offerings through NESPRESSO.

Strong earnings beat driven by operating leverage despite higher brand investments: EBITDA grew 39.8% YoY to Rs 15.4bn (16.4% ahead of our estimate), with EBITDA margin expanding 157bps YoY to 24.1%, supported by accelerated operational cost-saving initiatives and strong operating leverage despite a more than 40% increase in advertising investments behind brands. PAT grew 47.9% YoY to Rs 9.8bn, reflecting robust profitability across the business. Qcom remained a key growth driver, organised trade posted double-digit growth, and rural distribution continued to deepen through technology-led expansion of direct reach GT delivered strong double-digit growth across town classes led by rural markets, while Nestlé Professional and Out-of-Home businesses continued to witness healthy volume-led growth, reinforcing the company's execution strength across channels.

Outlook and Valuation: Nestle's focus on innovation, market share and premiumisation is envisaged to boost volume-led growth. We expect the company to deliver sales/EBITDA/EPS CAGR of ~12.2%/14.2%/14.1% over FY26–29E. We maintain our HOLD rating, valuing the stock at 68x June'28 EPS with a revised TP of Rs1,653.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	NEST IN/Rs 1,494
Market cap	US$ 15.2bn
Free float	37%
3M ADV	US$ 31.9mn
52wk high/low	Rs 2,475/Rs 1,085
Promoter/FPI/DII	63%/10%/12%

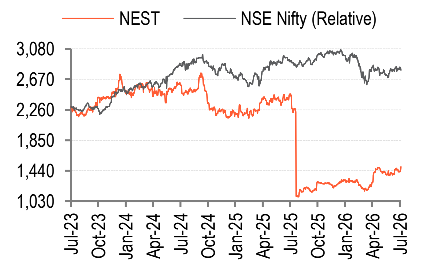
Source: NSE | Price as of 22 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	231,546	263,557	293,451
EBITDA (Rs mn)	53,061	61,441	71,356
Adj. net profit (Rs mn)	34,238	37,259	45,304
Adj. EPS (Rs)	17.8	19.3	23.5
Consensus EPS (Rs)	17.8	20.1	23.0
Adj. ROAE (%)	67.9	64.7	70.6
Adj. P/E (x)	84.1	77.3	63.6
EV/EBITDA (x)	27.1	23.4	20.2
Adj. EPS growth (%)	12.3	8.8	21.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 1,471 | ⮝ 24%

DR REDDY'S LABS | Pharmaceuticals | 23 July 2026

Valuations are expected to re-rate with launch of biosimilars

- **Sales/AEBITDA/APBT were 0.9% -10.8%/ -8.7% below our estimates. AEBITDA Margin was 170 bps below our estimates at 13.3%**
- **EBITDA Margin guidance sustained at ~20% despite higher solvent prices till Dec'26 and no gSemaglutide sales till Nov'26**
- **We continue to ascribe a PE of 21x and roll forward to Jun'28 EPS to arrive at a PT of Rs 1471 (earlier Rs 1511), maintain BUY**

Foram Parekh
Research Analyst
research@bobcaps.in

Mix set of earnings - DRRD reported a mixed set of earnings, where sales declined by 5.6% YoY to Rs 80.7bn, mainly due to a 35% YoY decline in the North America region, which was offset by 17% YoY growth in the India region and 30% YoY growth in the ROW region, while the Europe region grew 13% YoY. Raw material cost grew 17.2% YoY to Rs 43.165bn, accounting for 53.5% of sales in 1QFY27 versus 43% in 1QFY26, leading to a 1039 bps YoY decrease in gross margin, but increasing 175 bps QoQ to 46.5%. Reported EBITDA M was at 10.3%. Adjusting for the API provision of Rs 2.396bn, Gross Margin stands at 49.5% and EBITDA Margin at 13.3%. Adjusted EBITDA declined by 50% to Rs 10.722bn. Subsequently, adjusted for Semaglutide API provisions and 4QFY26 provisions, PAT declined by 51.8% YoY but grew by 44% QoQ to Rs 6.83bn. Reported PAT declined by 69% YoY and by 101% QoQ to Rs 4.4bn.

North America sales reported in-line with expectations- In 1QFY27, North America sales declined by 35% YoY to Rs 22.048bn. The decline was due to the absence of gRevlimid sales and only 1–1.5 months of Semaglutide sales in Canada (0.18mn pens sold). However, DRRD launched new products such as Bosutinib Tablets 400mg (TAM USD 300mn) with 180 days of exclusivity, along with 5 other products, in 1QFY27. Management aims to launch 27 new products in FY27E and is positive about launching gSemaglutide from Nov'26. The company also retains its goal date of Dec'26 for bAbatacept and expects bRituximab to receive interchangeable designation. Thus, we believe DRRD's US sales will grow at a CAGR of 11% from FY27-29E, much higher than the US generics sales growth of ~3-5%.

EBITDA Margin guidance retained ~20% - EBITDA Margin guidance is to be ~20%, despite 1) gRevlimid being in the base with no gSemaglutide sales till Nov'26, 2) higher solvent prices due to the Middle East war, expected to sustain till Dec'26, 3) higher SG&A costs due to ~52% of sales coming from branded generics markets like India, EMs, and OTC, and 4) losses in the peptides and biologics units

Valuation - At CMP, on a roll-forward basis, the stock trades at an attractive valuation of 17.2x Jun'28 EPS of Rs 69. We continue to ascribe a multiple of 21x, to arrive at a PT of Rs 1471.

Key changes

Target	Rating
▼	◄ ►

Ticker/Price	DRRD IN/Rs 1,183
Market cap	US$ 10.4bn
Free float	73%
3M ADV	US$ 35.8mn
52wk high/low	Rs 1,415/Rs 1,148
Promoter/FPI/DII	27%/27%/23%

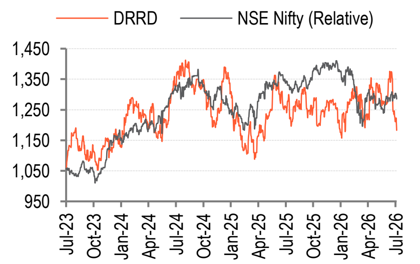
Source: NSE | Price as of 22 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	335,933	353,963	396,321
EBITDA (Rs mn)	67,049	67,253	83,227
Adj. net profit (Rs mn)	45,851	43,724	54,755
Adj. EPS (Rs)	55.6	52.6	65.8
Consensus EPS (Rs)	61.6	50.2	62.9
Adj. ROAE (%)	13.1	11.1	12.5
Adj. P/E (x)	21.3	22.5	18.0
EV/EBITDA (x)	14.8	14.9	12.3
Adj. EPS growth (%)	(20.3)	(5.4)	25.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

BUY
TP: Rs 1,339 | ⮝ 17%

NIPPON LIFE INDIA AMC | AMC | 23 July 2026

Consistent AUM outperformance continues

- **NAM reported robust core revenue performance, growth of 26.4% YoY; QAAUM grew 22.7% led by strong ETF AUM growth**
- **Continued market share gains with overall equity, and ETF share showing expansion. B-30 MAAUM market share remained stable**
- **We maintain BUY with TP of Rs 1,339, valuing the stock at 37x Jun'28E EPS, and reaffirm NAM as our top pick in the sector**

Rutam Yellapurkar
Research Associate
research@bobcaps.in

Continued strong core performance: NAM reported strong Q1FY27 performance with robust core revenue growth of 26.4% YoY (up 3.8% QoQ). This was aided by a robust QAAUM growth of 22.7% YoY and 3.7% QoQ, outpacing the industry growth of 15.3% YoY. EBITDA came in at Rs 5,078 mn bn, was up 30.8% YoY and 0.1% QoQ. EBITDA margins were at 66.2% vs. 64% in Q1FY26. Other expenses increased 29.4% YoY on account of investments in digital, brand and technology. Management expects these costs to continue and expects total expenses to grow by 18%-20% (ex-ESOPs). Consequently, PAT grew 27.2% YoY at Rs 5,037 mn on account of MTM gains.

QAAUM growth outpacing the industry: ETF AUM grew significantly by 39.9% YoY in Q1FY27 with mix increasing to 32.4% in the overall mix vs. 28.4% in Q1FY26. Its ETF market share too increased to 21.4%, improvement of 159 bps Equity and debt AUM grew 22.1% YoY and 3.5% YoY in Q1FY27.

Continued market share gains: NAM India continued its trajectory as one of the fastest-growing AMCs, with the overall market share rising to 9.04% from 8.89% in Q4FY26, marking its highest level since Jun'19. Its equity market share also improved to 7.38% from 7.16% in Q4FY26. SIP market share came in at 9.84% for Q1FY27, with the monthly systematic book rising 12% YoY to Rs 37.2 bn in June'26.

Maintain BUY: NAM India continued to report a strong performance with steady market share gains and remained the fastest-growing AMC among the top 10 AMCs during Q1FY27, reporting overall market share gains of 54bps YoY. It continues to benefit from the consistent long-term fund performance, aiding steady flows and thereby better-than-industry performance. Hence, aided by industry-leading AUM growth, highest investor base with steady SIP flows and market share gains coupled with favourable product mix, we maintain positive view on the company with BUY and TP of Rs 1,339 (Rs 1,206 earlier), valuing the stock at 37x Jun28E EPS, and reaffirm NAM as our top pick.

Key changes

Target	Rating
▲	◄ ►

Ticker/Price	NAM IN/Rs 1,148
Market cap	US$ 7.6bn
Free float	12%
3M ADV	US$ 12.2mn
52wk high/low	Rs 1,234/Rs 780
Promoter/FPI/DII	74%/6%/9%

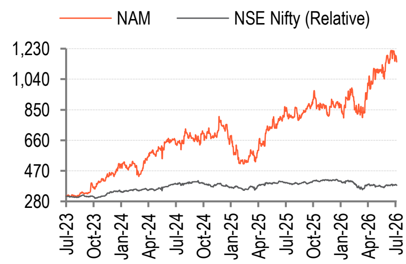
Source: NSE | Price as of 22 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Core PBT (Rs mn)	17,476	21,383	25,968
Core PBT (YoY)	24.4	22.4	21.4
Adj. net profit (Rs mn)	15,281	17,842	21,675
EPS (Rs)	24.1	28.1	34.1
Consensus EPS (Rs)	24.1	28.2	33.5
MCap/AAAUM (%)	10.8	8.7	7.0
ROAAAUM (bps)	22.7	21.4	20.8
ROE (%)	34.4	37.2	41.9
P/E (x)	47.7	40.9	33.6

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

BUY
TP: Rs 900 | ⮝ 16%

ANTHEM BIOSCIENCES | Pharmaceuticals | 22 July 2026

In-line quarter; Gross Margin maintained at its highs

- **Sales/EBITDA/PAT were -0.5%/-3.1%/5.9% above our estimates, while EBITDA Margin was 100 bps below our estimates at 36%**
- **FY27 20% sales guidance retained despite a soft 1QFY27. Shipments to improve from 2QFY27. H2FY27 to be better than H1FY27**
- **We ascribe 57x (earlier 56x) and roll forward to Jun'28 EPS to arrive at a similar PT of Rs 900, and maintain BUY**

Foram Parekh
Research Analyst
research@bobcaps.in

In-line quarter - Sales reported a 22.6% YoY decline to Rs 4.182 bn, primarily due to a 25% YoY decline in CRDMO sales to Rs 3.4 bn and an 12% YoY decline in specialty sales to Rs 774 mn. The decline in CRDMO sales was due to a delay in shipments. Gross Profit declined by 12% YoY to Rs 2.72 bn, mainly due to a lower product mix. However, Gross Margin improved by 778 bps YoY, mainly due to an increase in CRDMO Gross Margin, which rose 964 bps YoY to 68%. EBITDA reported a 21% YoY decline to Rs 1.5 bn due to lower Gross Profit and 9% YoY increase in employee cost. However, EBITDA Margin reported a 56bps YoY increase to 36%. During the quarter, depreciation cost grew by 13% YoY, interest cost declined by 45% YoY, and taxes declined by 51% YoY, leading to an 11% YoY decline in PAT to Rs 1.199 bn**.**

CRDMO sales declined due to deferred shipments; expect recovery in H2FY27 – In 1QFY27, CRDMO sales declined by 25% YoY to Rs 3.4 bn. The decline is due to deferred shipments owing to a timing shift with customers. However, the company's plants are utilized at optimal capacity, where Unit 1 is utilized at 78% (74% in FY26), Unit 2 Custom Synthesis capacity is utilized at 50% (65% last year) due to the addition of 135 KL capacity in CS, and fermentation is utilized at 50%, while Unit 3 is picking up with ~35% capacity utilization from 15% last year, mainly due to new orders. The company has 60% shipment visibility for FY27's whole business orderbook, and hence expects all units to operate at optimum capacity.

Specialty Ingredient business impacted due to supply chain issues - In 1QFY27, the Specialty Ingredients segment declined by 12% YoY to Rs 774 mn. The segment caters to day-to-day/month-to-month business, mostly in the domestic market (B2B). This segment was impacted due to a supply chain issue arising from the Middle East war. However, going forward, the company expects decent growth in this segment in FY27 over FY26.

Valuation - At CMP, on a roll forward basis, the stock trades at 49x Jun'28 EPS. We ascribe 57x (earlier 56x) little below the 1year forward mean PE of 58x to arrive at a similar PT of Rs 900 implying a 15% upside; thus, maintain BUY on the stock.

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	ANTHEM IN/Rs 779
Market cap	US$ 4.6bn
Free float	25%
3M ADV	US$ 5.0mn
52wk high/low	Rs 874/Rs 579
Promoter/FPI/DII	75%/1%/8%

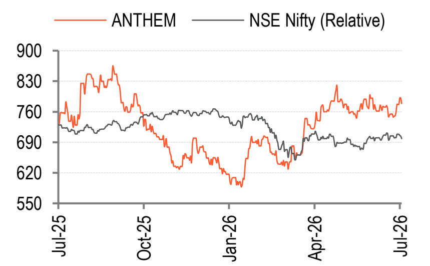
Source: NSE | Price as of 22 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	21,243	25,457	31,147
EBITDA (Rs mn)	8,338	9,705	11,939
Adj. net profit (Rs mn)	5,913	6,844	8,277
Adj. EPS (Rs)	11.0	12.2	14.8
Consensus EPS (Rs)	11.0	12.9	15.6
Adj. ROAE (%)	19.4	18.4	18.2
Adj. P/E (x)	71.0	63.9	52.8
EV/EBITDA (x)	52.7	45.2	36.9
Adj. EPS growth (%)	36.5	11.2	20.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

BUY
TP: Rs 240 | 41%

ORIENT ELECTRIC | Consumer Durables | 22 July 2026

Broad-based growth; cost actions cushion margin

- **Revenue grew 23.5% YoY on volume and value growth across ECD and Lighting & Switchgear, with fans outperforming the category**
- **EBITDA margin expanded 102bps YoY on cost discipline, even as gross margin stayed under commodity-led pressure**
- **Tweak estimates, assign 30x Jun-28EPS to arrive at Jun-27TP of Rs240; maintain BUY**

Vineet Shanker
Research Analyst
Amey Tupe
Research Associate
research@bobcaps.in

Revenue beats estimates on broad-based growth: ORIENTEL reported revenue of Rs9.5bn in Q1FY27, up 23.5% YoY and flat QoQ, 8% ahead of our estimate. Growth was led by across-the-board momentum in ECD and Lighting & Switchgear, as fans outperformed the industry and gained market share across both MD and DTM channels.

Gross margin slips further; cost actions keep EBITDA on an improving trend: Gross margin fell 277bps YoY to 29.8% on continued commodity inflation and a lag in price pass-through. EBITDA margin rose 102bps YoY to 7.0%, aided by ~Rs 0.1bn of Sanchay savings and operating leverage, with employee cost falling to 8.9% of sales from 9.9% in Q1FY26.

ECD: fans gain share, appliances and e-com aid growth, margin normalizes: ECD revenue rose 23% YoY to Rs6.7bn (+1% QoQ), with BLDC fans up ~36% YoY and premium products at ~36% of the domestic ceiling fan mix. Appliances grew on strength in water heaters, while e-commerce and exports delivered high-double-digit growth. Segment EBIT margin eased to 8.7% (-300bps QoQ) from 11.4% in Q4FY26, though up 194bps YoY from 6.8%.

Lighting & Switchgear: Wires more than double, premium mix rises: Segment revenue grew 25.4% YoY to Rs2.8bn (-2.1% QoQ), led by high-double-digit growth in consumer lighting (B2C) on new launches and distribution additions. Wires revenue more than doubled YoY while Switchgear sustained double-digit growth; premium mix in lighting rose to 60% (+440bps YoY). EBIT margin was 15.0%, down 240bps YoY on category-mix dilution but up 100bps QoQ.

Tweak estimates, maintain BUY: We tweak FY27-28E estimates, factoring in cost pressures in FY27 as we believe margin expansion amid commodity inflation and higher competitive intensity is challenging leading to a 4-7% change in our FY27-29E revenue and PAT estimates; we assign 30x to Jun-28E EPS to arrive at a Jun-27 TP of Rs 240 (41% upside). Maintain BUY.

Key changes

Target	Rating
◀ ▶	◀ ▶

Ticker/Price	ORIENTEL IN/Rs 170
Market cap	US$ 380.5mn
Free float	62%
3M ADV	US$ 0.7mn
52wk high/low	Rs 226/Rs 149
Promoter/FPI/DII	38%/6%/28%

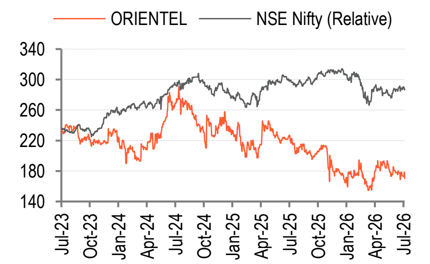
Source: NSE | Price as of 22 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Total revenue (Rs mn)	33,264	37,818	41,483
EBITDA (Rs mn)	2,291	2,602	3,134
Adj. net profit (Rs mn)	1,060	1,276	1,673
Adj. EPS (Rs)	5.0	6.0	7.9
Adj. ROAE (%)	14.6	16.0	18.9
Adj. P/E (x)	34.2	28.4	21.7
EV/EBITDA (x)	15.8	13.9	11.5
Adj. EPS growth (%)	27.4	20.4	31.2

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

RESULT REVIEW

BUY
TP: Rs 315 | ⮝ 18%

CANARA ROBECO AMC | AMC | 22 July 2026

Cost discipline drives margin expansion

- **Core revenue growth increased 19.7% YoY in Q1FY27 mainly on account of improvement in yields**
- **EBITDA margin stood at 62.7% vs 59.5% driven by efficient cost management, PAT grew 24% YoY due to MTM gains**
- **Maintain BUY with TP of Rs 315 (earlier Rs 311), valuing the stock at 25x Jun'28E EPS**

Rutam Yellapurkar
Research Associate
research@bobcaps.in

Robust revenue growth: Core revenue grew 19.7% YoY and 1.7% QoQ, to Rs 1,162 mn. This was primarily driven by improvement in yields and QAAUM growth of 6.8% YoY (up 1% QoQ). EBITDA was up 26.1% YoY (up 2.5% QoQ), owing to efficient cost management thereon lower total operating expenses. EBITDA margins came in at 62.7% vs. 62.2% in Q4FY26 vs. 59.5% in Q1FY26. Cost-to-income ratio stood at 37.3% and the management expects to maintain the ratio in the range of 38%- 42%. PAT was up 24% YoY/ 82.8% QoQ to Rs 756 mn, on account of MTM gains in other income.

Moderate equity MF growth: Equity MF growth moderated at 6.7% YoY in Q1FY27 vs. 12.8% YoY growth in Q4FY26. Additionally, debt AUM witnessed a growth of 8.2% YoY vs 23% YoY in Q4FY26. Consequently, overall AAUM growth was at 6.8% YoY. Further, going forward, management's strategy is to focus on its core MF business with emphasis on active fund management. Management maintained its approach of launching new products, targeting two NFOs per year, with the next NFO expected to be launched in the next 2-3 months. Management will also launch a passive product and a product in SIF in medium term.

Improvement in equity yields: Overall revenue yields stood at 39bps vs 35bps in Q1FY26 vs 39bps in Q4FY26. Further, equity yields improved to 39-40 bps from 37 bps, debt yields at 28-29 bps from 30 bps while liquid yields stood at 2-3 bps. Equity and debt mix share was stable at 91%:9% in Q1FY27. Management is comfortable with the yields in 35-38 bps and equity yields at 36-40 bps, keeping a greater focus on AUM growth and PAT growth.

Maintain BUY: CRAMC reported strong performance in Q1FY27. While AUM growth moderated, profitability remained healthy driven by disciplined cost management. We expect company to clock revenue/ PAT of 10%/9% CAGR in FY27E–29E. We maintain BUY with a TP of Rs 315 (earlier TP Rs 311), valuing the stock at 25x Jun'28E EPS.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	CRAMC IN/Rs 267
Market cap	US$ 560.4mn
Free float	25%
3M ADV	US$ 2.5mn
52wk high/low	Rs 353/Rs 214
Promoter/FPI/DII	75%/4%/9%

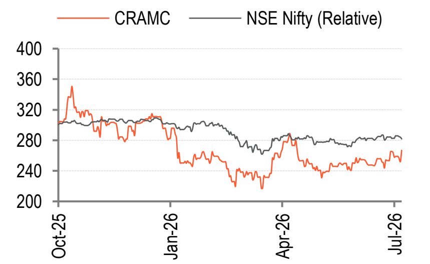
Source: NSE | Price as of 22 Jul 2026

Key financials

Y/E 31 Mar	FY26A	FY27E	FY28E
Core PBT (Rs mn)	2,449	2,758	2,962
Core PBT (YoY)	12.2	12.6	7.4
Adj. net profit (Rs mn)	2,038	2,268	2,428
EPS (Rs)	10.2	11.4	12.2
Consensus EPS (Rs)	10.2	10.9	12.3
MCap/AAAUM (%)	4.8	4.4	3.9
ROAAAUM (bps)	18.4	18.6	18.0
ROE (%)	30.3	27.3	24.0
P/E (x)	26.1	23.5	21.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA ("US") OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 (Perpetual)**
SEBI Stock Broker Registration No: **INZ000159332**
SEBI Depository Participant Registration No: **IN-DP-728-2022**
SEBI Merchant Banker Registration No: **INM000009926**
Phone: +91-22-61389300
Name of the Compliance Officer: Mr. Sameer Khobrekar
Email ID: Compliance@bobcaps.in; Phone no.: +91-22-61389358
For any queries or grievances, you may contact the Grievance Officer.
Name of the Grievance Officer: Mr. Nilesh Mehta
Email ID: head-customercare@bobcaps.in; Phone no: 92288 60945

Brand Name: **BOBCAPS**
Website: **https://www.bobcaps.in/**
CIN: **U65999MH1996GOI098009**
Logo:

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Analyst certification

Each of the analysts mentioned in this research report certify, with respect to the sections of the report for which they are responsible, that (1) all of the views expressed in this report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

Important disclosures

This product is a compilation of previously published research notes. To view the complete report along with the associated Analyst certifications and Company-specific disclosures, please click on the hyperlink accompanying each excerpt.

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS's activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction We are not soliciting any action based on this material. It is for the general information of BOBCAPS's clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "**Losses**") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd) ("**MSL**") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as **"MAYBANK**"). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.